

**INDIANA HOUSING FINANCE AUTHORITY  
MORTGAGE CREDIT CERTIFICATE PROGRAM  
EXECUTIVE SUMMARY**

What to know about your **borrower and their home**:

1. Borrowers must meet HUD's **income guidelines**. Income limits vary by county and are dependent on family size.
2. The home must fall under the federally determined **acquisition limits**. Acquisition limits vary by county and by new and existing homes.
3. Borrowers must **not have owned their principal residence** within the past three (3) years. This restriction is waived for those who buy a home in an area that is designated as targeted. (Refer to the Geographic Eligibility Section.)
4. Borrowers could be subject to a **recapture tax** if they sell their homes within nine (9) years of purchase.
5. The home must be the borrower's **principal residence**.

**Lenders** will need to know that:

1. **THE INCOME CALCULATION FOR A BORROWER'S ELIGIBILITY IS DIFFERENT THAN THAT USED FOR MORTGAGE QUALIFICATION. ADDITIONAL INCOME WILL NEED TO BE ADDED TO DETERMINE ELIGIBILITY.**
2. **Loans will need IHFA approval prior to closing.**
3. The originating lender must complete the reservation through to issuance of the certificate. IHFA will not acknowledge any third party involvement.
4. CO-SIGNERS MUST SIGN THE NOTE ONLY. **NON-OCCUPANT** CO-BORROWERS ARE **NOT** ALLOWED TO SIGN THE MORTGAGE OR TAKE TITLE.
5. The closing package must be submitted within 30 days of closing or before the commitment expiration date which ever comes first. A late submission fee equal to .25% of the loan amount will be due on the 31<sup>st</sup> day after closing
5. If the reservation is canceled in any stage, the lender has thirty (30) days to reinstate, subject to the availability of funds. After the thirtieth (30<sup>th</sup>) day the loan is **permanently** canceled.
6. The Mortgage Credit Certificate must be issued within **one year** from the date of the reservation.
7. **Cancellation of the reservation by the lender prior to submission of the application package will result in a \$150.00 cancellation fee to be paid by the lender.**
8. Faxed conditions will no longer be accepted.